

## Message Text

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PAGE 01 CAIRO 00576 171620Z

73

ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 SP-02 AID-05 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 ABF-01 L-02

H-01 AGR-05 IGA-01 CIAE-00 INR-07 NSAE-00 PRS-01 /067 W

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R 171440Z JAN 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1492

C O N F I D E N T I A L CAIRO 576

E.O. 11652: GDS

TAGS: EAID EG

SUBJECT: EGYPTIAN ARREARAGES

REF CAIRO 356, CAIRO 9988 (1974)

1. DURING MEETING WITH MINFIN NASHAAR JAN 11, AMB RAISED PROBLEM OF EGYPTIAN DOLLAR ARREARAGES AND URGED NASHAAR TO MAKE FULL PAYMENT. NASHAAR AND UNDERSECRETARY SARRAF BOTH REVEALED PLAN TO COMPLETELY ERASE DOLLAR ARREARAGES OWED TO USG IN FIRST 6 MONTHS OF 1975. THEY SAID THIS IN CONNECTION WITH OVERALL REPAYMENT SCHEDULE WHICH THEY HAVE DRAWN UP. AMB POINTED OUT NECESSITY FOR PROMPT PAYMENT, NOTING THAT ONE PROBLEM WITH ARREARAGES SEEMS TO BE FACT THAT PAYMENTS ARE MADE AFTER DUE DATE AND LATE INTEREST CHARGES THEREFORE BUILD UP. NASHAAR ACKNOWLEDGED THIS FACT AND ASKED IN WHAT SEEMED TO BE OFFHAND MANNER, THAT WE CONSIDER A 2-MONTH GRACE PERIOD FOLLOWING EACH DUE DATE WHICH WOULD ENABLE GOE TO PROGRAM ITS OVERALL RESOURCES AND STILL MEET ITS DEBT TO THE US. AMB SAID HE COULD MAKE NO COMMENT ON NASHAAR'S REQUEST, BUT THAT HE WOULD PASS IT ON TO WASHINGTON.

2. BOTH NASHAAR AND SARRAF MADE POINT SEVERAL TIMES THAT EGYPTIAN FOREIGN EXCHANGE RESERVES ARE VERY LOW AND THAT PRIORITY MUST GO FOR THE IMPORTATION OF WHEAT AND FERTILIZERS BEFORE FOREIGN DEBTS CAN BE PAID. THERE ARE SOME PERIODS IN WHICH  
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FOREIGN EXCHANGE TO MAKE SPECIFIC ARREARAGE PAYMENTS WILL NOT

BE IMMEDIATELY AVAILABLE I.E. ON EXACT DUE DATES.  
HENCE, REQUEST FOR TWO-MONTH GRACE PERIOD DURING WHICH  
EGYPTIANS WOULD NOT BE CHARGED LATE INTEREST.

3. REQUEST DEPT'S COMMENT ON THIS INFORMAL SUGGESTION.  
MAESTRONE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** buchant0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CAIRO00576  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750019-0515  
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**Reference:** 75 CAIRO 356, 75 CAIRO 9988, 75 (197  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** buchant0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 AUG 2003  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EGYPTIAN ARREARAGES  
**TAGS:** EAID, EG  
**To:** STATE  
**Type:** TE  
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